HB 1039 -- SHOW-ME TRANSFORMATION ACT

Sponsor: Franklin

This bill establishes the Show-me Transformation Act. In its main provisions, the bill:

(1) Requires individuals receiving MO HealthNet benefits to receive covered services through managed care entities authorized by the Department of Social Services that:

(a) Resemble commercially available health plans while complying with federal Medicaid requirements;

(b) Promote opportunity for a child and his or her parents to receive coverage under the same plan;

(c) Offer at least one statewide plan and regional plans that ensures that all regions of the state have adequate coverage through managed care contracts;

(d) Include cost-sharing for out-patient services;

(e) Provide incentives to plans and providers to encourage cost-effective delivery of care;

(f) May provide multiple plan options and reward participants for choosing a low-cost plan; and

(g) May be offered by hospitals or health care systems through a bid process;

(2) Allows the department to exclude health care services from health plans if it is determined to be cost effective and requires the department to establish uniform utilization review protocols to be used by authorized health plans;

(3) Specifies the requirements that the department must use for contracting with managed plans;

(4) Requires the department to consider certain factors when awarding a contract, including:

(a) The cost to taxpayers;

(b) The network of health care providers within the bidder's plan;

(c) Any additional services offered to recipients under the plan;

(d) The entity's history of outcomes and quality of services offered;

(e) The bidder's history of providing managed care plans for similar populations;

(f) Whether the bidder or an associated company offers an identical plan within the health insurance marketplace in Missouri and if the bidder has an identical plan or has formed a partnership in order to bid and has included a process for automatically enrolling the MO HealthNet recipient in the corresponding plan offered within the health insurance marketplace if the recipient's income increases or the recipient otherwise becomes ineligible for benefits; and

(g) Other criteria the department deems relevant to ensuring benefits are provided in a manner that saves taxpayer money and improves the health outcomes of recipients;

(5) Specifies the services that must be covered under the MO HealthNet plans;

(6) Prohibits a plan from providing coverage for an abortion unless the abortion is certified in writing by a physician that in his or her professional judgment, the life of the mother will be endangered if the fetus is carried to term;

(7) Requires the MO HealthNet program to provide a high deductible health plan option for uninsured adults between 19 and 64 years of age and specifies what the high deductible plan must include;

(8) Requires the department to implement a co-payment cost-sharing program for recipients who are not participating in a high deductible plan under MO HealthNet;

(9) Requires the MO HealthNet Division within the department to establish a preventative care incentive program for recipients with chronic conditions. The program must encourage recipients to follow a medically indicated regimen for treatment and control of the recipient's chronic condition. The bill specifies the criteria for the program;

(10) Requires managed care entities to give a participant who chooses the high deductible plan information notifying him or her that the participant may lose his or her payment if the participant visits the emergency room for nonemergency purposes;

(11) Requires the department to seek a waiver from the federal Department of Health and Human Services to implement these

provisions and specifies that these provision will not be implemented unless the waivers are granted;

(12) Specifies that beginning August 28, 2013, the board of directors, the executive director, and any employees of the Missouri Health Insurance Pool will have the authority to provide assistance or resources to the federal government for the specific purpose of transitioning individuals enrolled in the pool to coverage outside of the pool on or before January 1, 2014. This authority does not extend to authorizing the pool to implement, establish, create, administer, or otherwise operate a state-based exchange. By September 1, 2013, the board must submit the amendments to the plan of operation as are necessary or suitable to ensure a reasonable transition period to allow for the termination of issuance of policies by the pool. The amendments must include all current requirements under Section 376.962.2, RSMo, including the selection of an administering insurer or third-party administrator, and must address the transition of individuals covered under the pool to alternative health insurance coverage as it is available after January 1, 2014. The plan of operation must also address procedures for finalizing the financial matters of the pool, including assessments, claims expenses, and other specified matters. The Director of the Department of Insurance, Financial Institutions and Professional Registration must review the plan of operation and must establish rules to effectuate the transitional plan of operation. The rules must be effective no later than October 1, 2013;

(13) Specifies that prior to January 1, 2014, the board of directors and administering insurers may issue policies of insurance from the Missouri Health Insurance Pool; however, they are prohibited from issuing new insurance policies on or after January 1, 2014. All coverage under the pool must expire on January 1, 2014;

(14) Requires, by September 1, 2013, the board to invite all insurers and third-party administrators, including the current administering insurer, to submit bids to serve as the administering insurer or third-party administrator for the pool. The selection of the administering insurer or third-party administrator must be made prior to January 1, 2014. Beginning January 1, 2014, the administering insurer or third-party administrator must:

(a) Submit to the board and the department director a detailed plan outlining the winding down of operations of the pool. The plan must be submitted no later than January 31, 2014, and must be updated quarterly thereafter;

(b) Perform all administrative claim-payment functions relating to

the pool;

(c) Perform all necessary functions to assure timely payment of benefits to covered persons under the pool including making information on submitting a claim for benefits to the pool available, distributing forms on which submissions must be made, and evaluating the eligibility of each claim for payment by the pool;

(d) Submit regular reports to the board regarding the operation of the pool. The frequency, content, and form of the report must be determined by the board;

(e) Determine, following the close of each calendar year, the expense of administration and the paid and incurred losses for the year and report the information to the board and department on a form prescribed by the department director; and

(f) Be paid as provided in the plan of operation for its expenses incurred in the performance of its services;

(15) Requires Missouri Health Insurance Pool assessments to continue until the executive director of the pool notifies the board and the department director that all claims have been paid. Any assessment funds remaining at the time that all claims have been paid must be deposited in the General Revenue Fund;

(16) Specifies that a MO HealthNet recipient who chooses to receive medical coverage through a private health insurance plan to be eligible for a private insurance premium subsidy to assist in paying the cost of the insurance. The subsidy will be based on income with a graduated reduction over a period of up to two years;

(17) Specifies that primary care providers under the MO HealthNet program must be the team leaders in a collaborative practice arrangements;

(18) Specifies that electronic cards used by MO HealthNet recipients must contain a photograph of the recipient on the front of the card; and

(19) Repeals the provisions regarding the Ticket to Work Health Assurance Program.